



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

July 13, 2005

Drew Smith, Treasurer  
Democratic Party of Arkansas  
1300 West Capitol Avenue  
Little Rock, AR 72201

**Response Due Date:**  
**August 12, 2005**

Identification Number: C00024372

Reference: June Monthly Report (5/1/05 – 5/31/05)

Dear Mr. Smith:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-The totals listed on Lines 11(a)(i) and 11(a)(ii), Column B of the Detailed Summary Page appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. When an individual's aggregate exceeds the \$200 threshold, the amount should not be deducted from the Column B figure for Line 11(a)(ii). Please amend your report and any subsequent reports that may be affected by this correction.

-Schedule A supporting Line 11(a)(i) of your report discloses receipts identified as "Below Limit - Not Required." Please be advised that federal regulations require the itemization of all contributions from individuals/persons that aggregate greater than \$200 in the calendar year. Contributions from individuals/persons that aggregate \$200 or less need only be disclosed on Line 11(a)(ii) of the Detailed Summary Page.

Please clarify whether the receipts disclosed on Schedule A includes any contributions that aggregate greater than \$200 from an individual/person in the calendar year. If this is the case, please amend your report by itemizing the contributions from each individual/person on Schedule A. 11 CFR §104.3(a)(2)

2503834959

-Commission Regulations require that a committee disclose the identification of all individuals who contribute in excess of \$200 in a calendar year. (11 CFR §104.3(a)(4)(i)) Identification for an individual is defined as the full name, mailing address, occupation and name of employer. (11 CFR §100.12) Your report discloses contributions from individuals for which the identification is not complete.

You must provide the missing information, or if you are unable to do so, you must demonstrate that "best efforts" have been used to obtain the information. To establish "best efforts," you must provide the Commission with a detailed description of your procedures for requesting the information. Establishing "best efforts" is a three-fold process.

First, your original solicitation must include a clear and conspicuous request for the contributor information and must inform the contributor of the requirements of federal law for the reporting of such information. (11 CFR §104.7(b)(1))

Second, if the information is not provided, you must make one follow-up, stand alone effort to obtain this information, regardless of whether the contribution(s) was solicited or not. This effort must occur no later than 30 days after receipt of the contribution and may be in the form of a written request or an oral request documented in writing. (11 CFR § 104.7(b)(2)) The request must:

- clearly ask for the missing information, without soliciting a contribution;
- inform the contributor of the requirements of federal law for the reporting of such information, and
- if the request is written, include a pre-addressed post card or return envelope.

Third, if you receive contributor information after the contribution(s) has been reported, you shall either a) file with your next regularly scheduled report, an amended memo Schedule A listing all the contributions for which additional information was received; or b) file on or before your next regularly scheduled reporting date, amendments to the report(s) originally disclosing the contribution(s). (11 CFR §104.7(b)(4))

Please provide the missing information or a detailed description of your procedures for requesting the information. For more information on demonstrating "best efforts," please refer to the Campaign Guide.

25038834950

-The identification of each contributor, including an adequate occupation and name of employer for each, must be provided if the person has contributed in excess of \$200 in the aggregate during the calendar year. Please amend Schedule A supporting Line 11(a)(i) for each entry inadequately identified as "Admin Law Judge/Best Effort," "Best Effort/Best Effort," "business owner/self employed," "Consultant/Self," "consultant/self employed," "IR/Self employed," and "None/None."

-Schedule A supporting Line(s) 11(c) of your report discloses a receipt(s) from "Chris Thyer Campaign," "Mark Pryor for U.S. Senate," "Snyder for Congress," and "Friends of Blanche Lincoln Campaign Comm" which requires further clarification. For example, if this activity represents a transfer of funds, please indicate "transfer" on Schedule A supporting Line 11(c) of your report. If this activity represents a reimbursement for services provided to this committee, please indicate this on Schedule A supporting Line 15 of your report. Please amend your report to clarify the type of activity this receipt(s) represents.

-On Schedule H2, you disclose the ratio for "J Jackson Dinner 06-01" to be the same as previously reported; however, it appears that this activity/event was not previously reported. Please amend your report to clarify this discrepancy. 11 CFR §§104.10 and 104.17

-Schedule H4 of your report discloses reimbursements to individuals for "computer supplies electrical sup," "Electircal deposit," "gas deposit," "U-Haul rental," "used refrigerator reimb," "water deposit," and "paper cleaning sup filmetc." Please be advised that when itemizing reimbursements to individuals for goods or services, payment to the original vendors must be itemized as memo entries regardless of amount. Each memo entry must include the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information. 11 CFR §§104.10 and 104.17, and Advisory Opinions 1992-1 and 1996-20, footnote 3

-On Schedule H4, your allocated activity or event year-to-date total calculations for the Administrative category are incorrect. Allocated activity or event year-to-date totals for administrative, voter drive, exempt activity costs and expenses for public communications made by PACs referencing only political parties are derived by aggregating all disbursements during the calendar year for each separate category. Allocated activity or event year-to-date totals for fundraising and direct candidate support activities are derived by aggregating all disbursements

1996 FEB 28 05 2

during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous event year-to-date total for that category or event. This running event year-to-date total should be disclosed after each disbursement is listed. Please amend your report by providing the correct event year-to-date totals.

-Schedule H4 of your report discloses payments to "Flying Fish," "Little Rock Advertising & Promotions," "Bullard Liquor," "Capitol Cafeteria," "Gene Stewart Pro Video," "Wilson, Kathryn," "Plantation Services Inc," "Big Impressions," "Bylites, Inc. Production Services," and "National Archives Fund," which are categorized as Administrative expenses; however, the purposes of disbursement disclosed are "ASDC dinner," "banquet hall for ASDC meeting," "beverages for ASDC meeting," "breakfast meeting for ASDC," "Newsclips from ASDC meeting," "photography at ASDC meeting," "plant rental for ASDC meeting," "Podium Stand for ASDC Meeting," "stage production for ASDC meeting," and "tickets for Clinton Library visit." Please be advised that payments made for your committee's fundraising activities must be allocated according to the funds received method and the ratio reflected on Schedule H2. Please amend your report to clarify the appropriate category for this activity or provide clarifying information regarding this apparent discrepancy.

-Please clarify all expenditures made for "ASDC dinner," "banquet hall for ASDC meeting," "beverages for ASDC meeting," "breakfast meeting for ASDC," "Newsclips from ASDC meeting," "photography at ASDC meeting," "plant rental for ASDC meeting," "Podium Stand for ASDC Meeting," "stage production for ASDC meeting," and "tickets for Clinton Library visit" on Schedule(s) H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-The loan schedule (Schedule C) should disclose the following information: the name and mailing address of the person making or receiving the loan, original amount, cumulative payment, outstanding balance, date incurred, date due, and interest rate for all loans that your committee has received. Please amend Schedule C by providing the mailing address of the person making the loan and due date. 11 CFR §§104.3(d) and 104.11(a)

25058854952

-Your report discloses a loan from a lending institution; however, you have not submitted a paper C-1 and a copy of the loan agreement. As an electronic filer, you must submit the Schedule C-1 electronically without the original signature from the lending institution. In addition, you must mail a copy of the loan agreement and a separate copy of the Schedule C-1 that contains the original signature from the lending institution. Please submit the missing documents. (11 CFR §§104.3(d)(2) and 104.18(h))

-The supporting schedule for loans and lines of credit from lending institutions (Schedule C-1) must include the name and address of the lender, amount, interest rate, date incurred, date due, the treasurer's signature, and the signature of an authorized representative of the lending institution, along with a copy of the loan agreement. In addition, it may be necessary to provide information regarding restructured loans, draws on lines of credit, secondary sources of repayment, traditional collateral, future receipts as collateral and other means of obtaining loans according to your activity. Please amend Schedule C-1 and any other affected schedules to provide address of the lender and due date. 11 CFR §§100.82 and 100.142

-Please clarify all expenditures made for "band for catfish dinner," "beverages & paper products," "beverages for dinners," "food & paper products for golf tourn," "golf course rental etc," "hall rental & catering," "invitations," "printing 300 catfish tickets," "Production set up - Dean Luncheon," and "rent for catfish dinenr" on Schedule B. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B or E supporting Lines 23 or 24 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-Schedule H4 of your report disclose several entries which include the acronym "ASDC." Please be advised that when referencing an organization in a purpose, abbreviating the name of the organization so it is unrecognizable, or using an indistinguishable acronym is inadequate. Please provide further clarification regarding these initials in order to better clarify the public record. For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

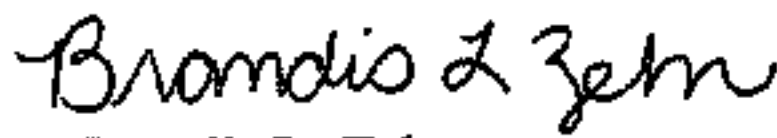
**Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. Requests for extensions of time in which to respond will not be considered. Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action**



against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1148.

Sincerely,



Brandis L. Zehr  
Campaign Finance Analyst  
Reports Analysis Division

25038834964

25038834865